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Chris.Loehr@enron.com on 03/27/2001 11:40:20 AM

To: Terrance Bessey/Washington DC/Kirkland-Ellis@K&E
cc: Anne Yaeger@enron.com

Subject: Re: FW: LJM buyback calculation

hey terry.

sorry I haven't been able to call you back, but I think what Enron and I have agreed to is \$13.2 million for the EPE portion and approximately \$650,000 for the pret shares. however, there are a couple of moving pieces in this analysis

1) as you can see in the spreadsheet, \$12958650 is the exact amount on the EPE portion as of 3/15/01 for a 10% return to LJM. Enron offered to build in a "cushion" and make the amount \$13200000 to avoid having the return being exactly 10% (don't ask me why). This cushion allowed us not to recalculate as of 3/27/01. however, going forward for the 60 day period we would want the \$13.2 million to escalate by \$3,900 per day (thus preserving the cushion and the 10% return)

2) again in the spreadsheet, \$641452 is the exact amount on the pret shares as of 3/15/01 for a 25% return to LJM. recalculating as of 3/27/01, I get \$646,537 (to be confirmed by Enron). Going forward for the 60 day period these shares should accrue dividends at 25%, or \$347 per day (also to be confirmed by Enron).

I will call as soon as possible to discuss - I know it's pretty confusing, but I hope this helps

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